

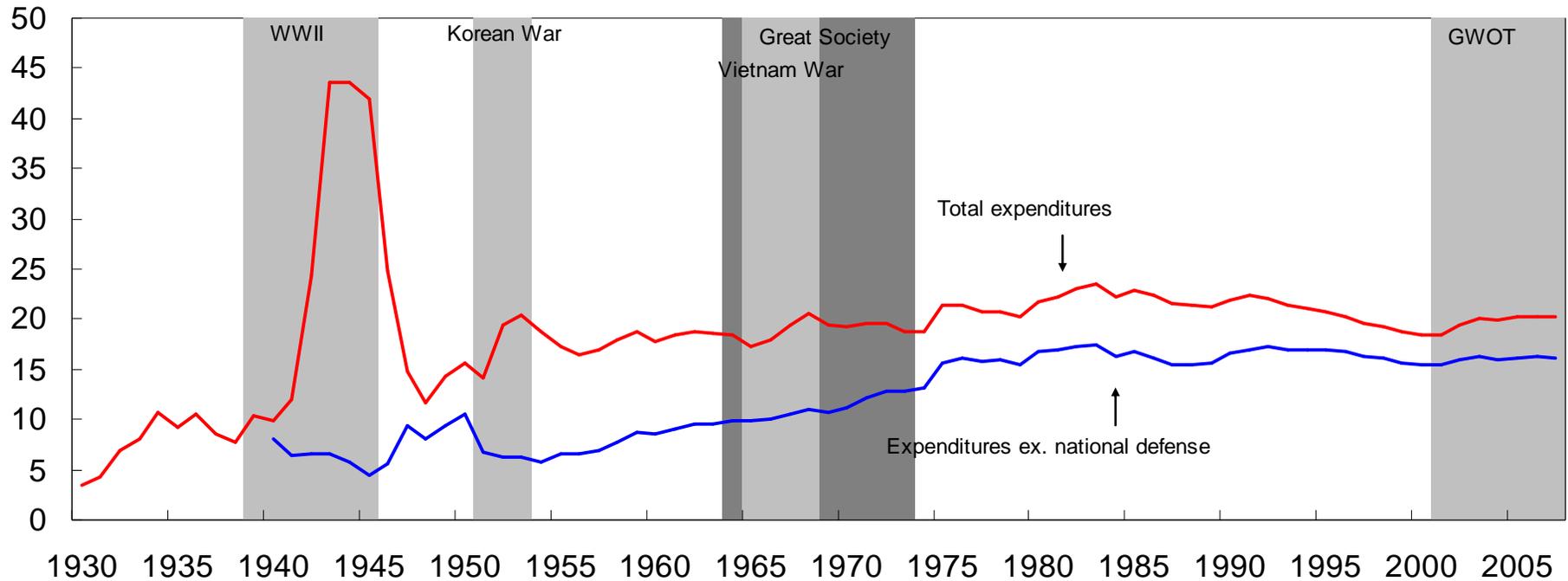
The Size of the Federal Government

Social Security Advisory Board
January 18, 2008

Trends in Expenditure/GDP Ratio

Federal Expenditures

Percent of GDP

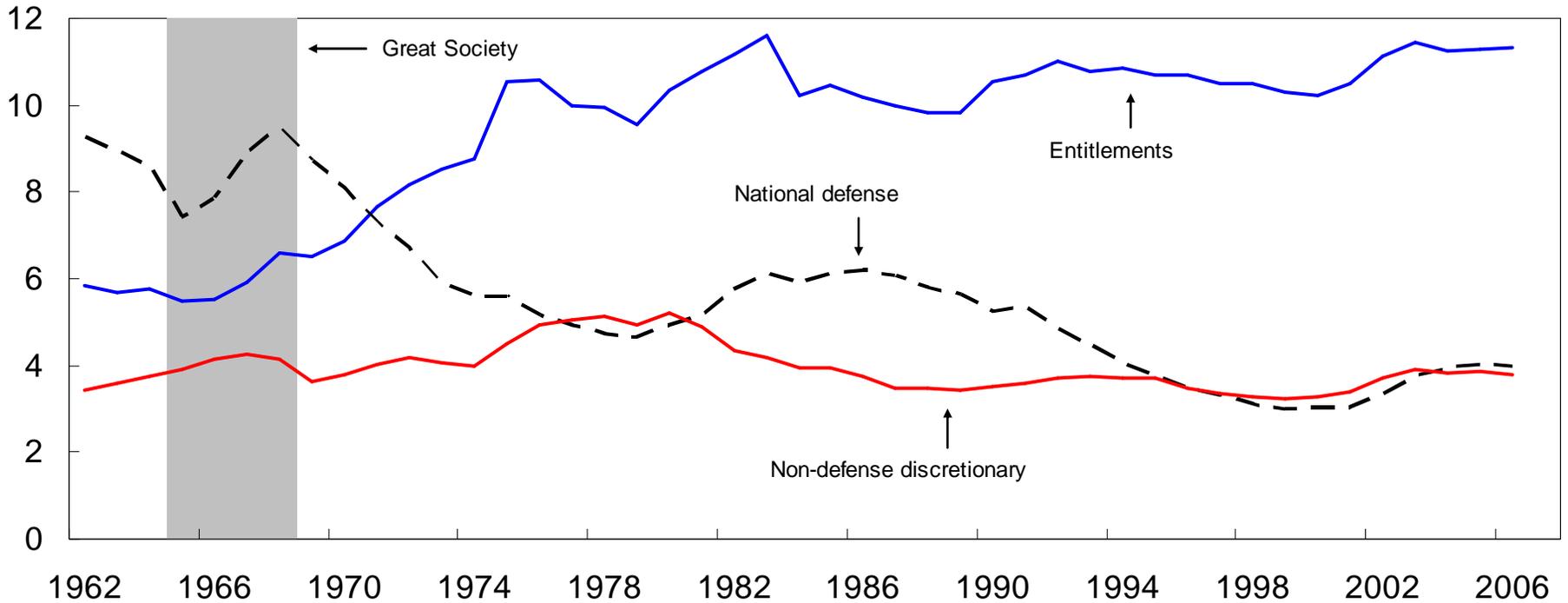


Source: Office of Management and Budget

Breakdown of Expenditure Trends

Federal Expenditures

Percent of GDP

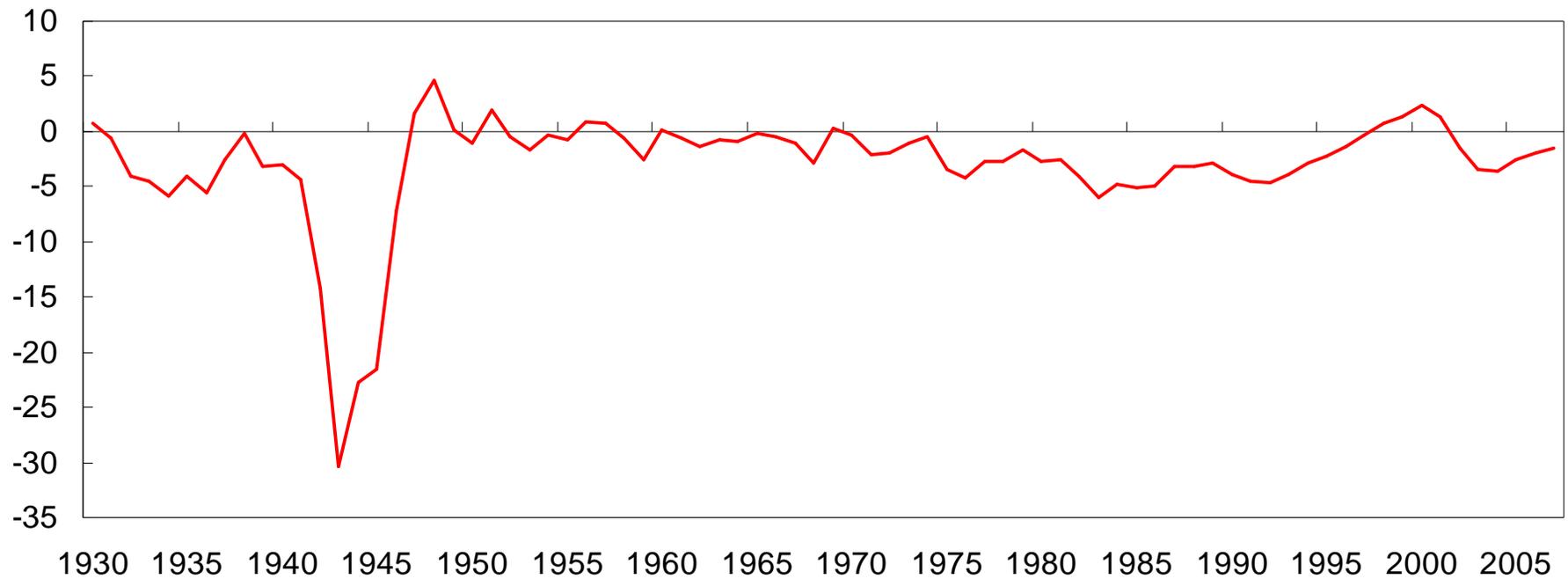


Source: Office of Management and Budget

Deficit-GDP Ratio

Federal Budget Balance

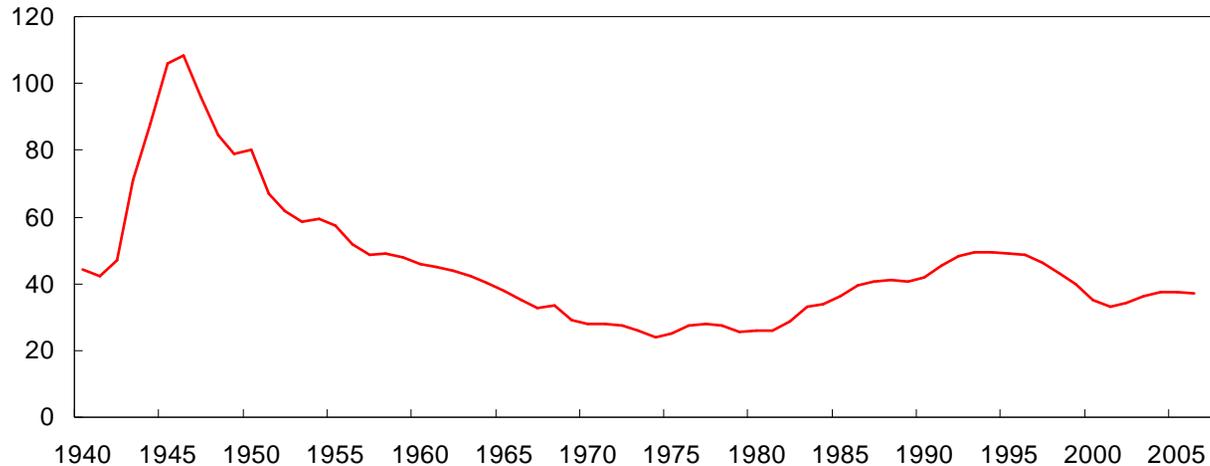
Percent of GDP



Source: Office of Management and Budget

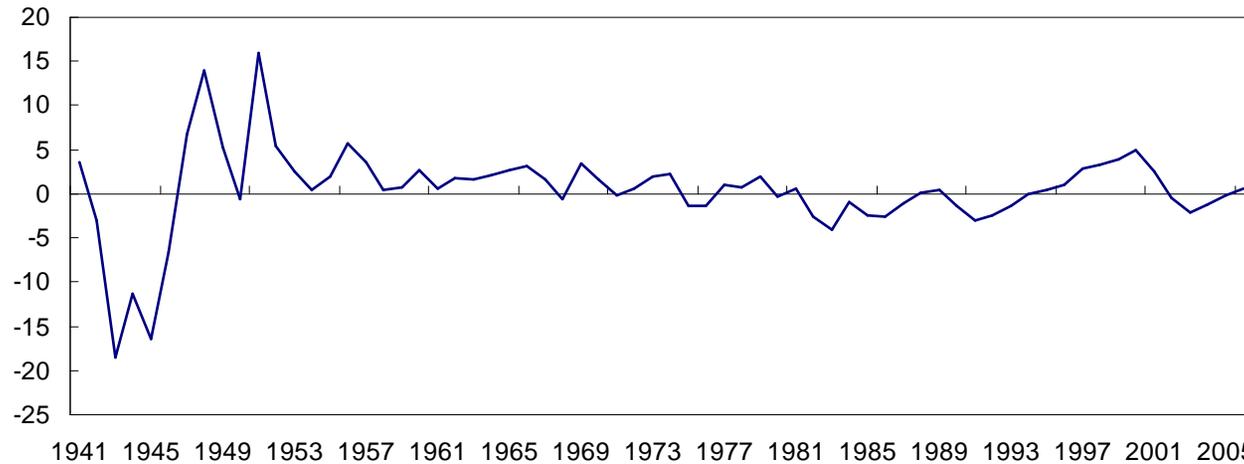
Fiscal Responsibility

Federal Debt Held by Public
Percent of GDP



Source: Office of Management and Budget

Deficit Required for Constant Debt-GDP Ratio Minus Actual Deficit
Percent of GDP



Source: Office of Management and Budget

Cross-Country Comparisons

Debt-GDP Ratios in 2005:

Country	Ratio
Canada	30.3%
France	53.8%
Germany	40.4%
Italy	98.2%
Japan	163.7%
United Kingdom	44.9%
United States	36.6%

Source: OECD

Deficits, Revenues, and Spending

	Expenditure decrease (discretionary non-defense)	Expenditure increase (discretionary non-defense)	Average Surplus
Revenue decrease	-3.50%	-2.68%	-3.03%
Revenue increase	-1.74%	-1.80%	-1.76%
Average Surplus	-2.38%	-2.34%	-2.36%

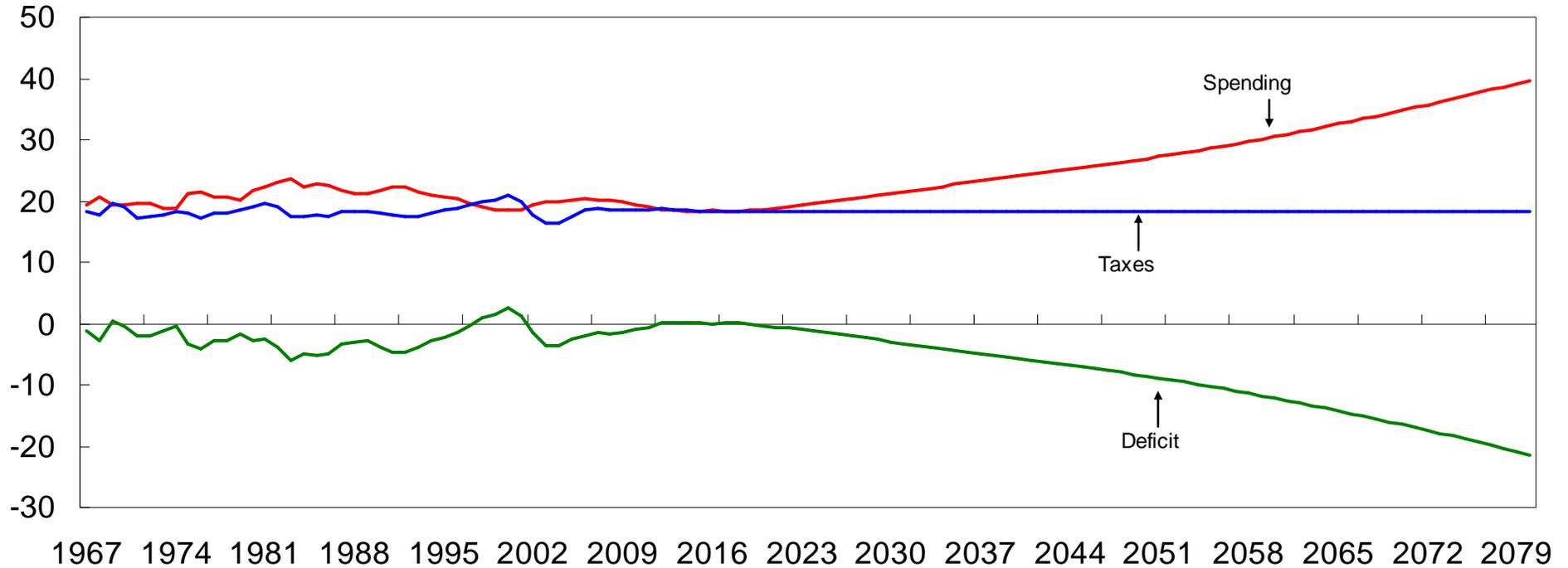
ANOVA shows:

- Revenue explains 48.7% of variation in surplus.
- Discretionary Non-Defense spending explains 1.7% of variation in surplus.

Future Size of Government

Projected Spending and Revenue

Percent of GDP



Source: Office of Management and Budget

Defined Benefit/Defined Contribution Plan Incentives

